

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF DAVIS BRANCH)	
GAS COMPANY FOR AUTHORITY TO)	
TRANSFER THE ASSETS OF DAVIS BRANCH)	
GAS COMPANY AND FOR THE PAINTSVILLE)	CASE NO. 9767
UTILITIES COMMISSION FOR AUTHORITY)	
TO ACQUIRE AND OPERATE THESE ASSETS)	
IN JOHNSON COUNTY, KENTUCKY)	

O R D E R

On November 17, 1986, Davis Branch Gas Company ("Davis Branch") and Paintsville Utilities Commission ("Paintsville") filed a joint application requesting approval of the sale and transfer of a certain gas transmission and distribution system from Davis Branch to Paintsville. The facility is located in Johnson County, Kentucky, on Davis Branch.

Attached to the application was a fully-executed purchase agreement setting out the terms and conditions of the proposed sale and transfer. All supplemental requests for information have been responded to by the applicants.

FINDINGS

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Paintsville is ready, willing and able to purchase the facility owned by Davis Branch in that it has the financial, technical and managerial abilities to provide adequate and reliable service to the customers served therein.

2. Davis Branch is willing to sell inasmuch as it wishes to divest itself of the facility.

3. The quality of service to the customers of Davis Branch will not suffer in that Paintsville has knowledge and experience in the operation and maintenance of sewage treatment facilities.

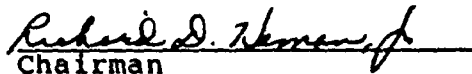
4. The agreed upon purchase price is the forgiveness of the debt of Davis Branch to Paintsville (approximately \$11,000).

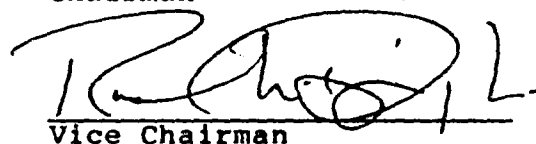
5. The customers served by the facility will be charged Paintsville's rates and charges for sewage treatment service.

IT IS THEREFORE ORDERED that the transfer of ownership of Davis Branch's facility to Paintsville be and it hereby is approved.

Done at Frankfort, Kentucky, this 11th day of February, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director